

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1883
ANSWERED ON:14.03.2002
CENTRAL AID FOR POWER REFORMS
A. VENKATESH NAIK

Will the Minister of POWER be pleased to state:

- (a) whether attention of the Union Government has been drawn to the news-item captioned `CEA for conditional central aid for reforms` appearing in the Hindustan Times dated January 3, 2002;
- (b) if so, the steps taken by the Government in regard to reforms in power distribution; and
- (c) the details of assistance sought therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : Yes, Sir. Details are annexed herewith.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE UNSTARRED QUESTION NO.1883 TO BE ANSWERED THE LOK SABHA ON 14.3.2002.

Distribution Reforms have been identified as the key area of reforms in power sector in the country. The main strategies identified in this regard are as follows:-

1. Development of district level distribution improvement plans/projects for all districts.
2. Setting up of district level Energy Committees for monitoring and resource planning
3. Development of 60 distribution circles as Centers of Excellence for distribution reform
4. Hundred percent metering and effective Management information System (MIS) for monitoring at feeder level, backed up by detailed energy audit to bring accountability into the system at all levels.
5. Taking high voltage lines up to the load centre to prevent theft of power and reduce technical losses.
6. Signing of Memorandum of Understanding (MOUs) with States for undertaking distribution reforms in a time bound manner and linking the support of Government of India to achievement of pre-determined milestones (Twenty states have signed the MOUs so far).
7. Tariff rationalization by State Electricity Regulatory Commissions (SERCs). 17 States have set up SERCs and 12 of these SERCs have issued the first tariff orders.

Government of India has decided to support the States in their reform efforts. This support would be linked to time bound power reform initiatives in the States and achievements of definite milestones towards the restoration of financial viability of the State

Electricity Boards/Utilities. In this connection, Government of India has launched an Accelerated Power Development Programme (APDP) under which financial assistance is given to States in the form of additional Central Plan Assistance for implementing schemes relating to upgradation and improvement of their sub-transmission & distribution systems, circle-wise. States have been categorized in the 'special' and 'non-special' categories for the purpose of assistance under Accelerated Power Development Programme. For the special category States, assistance covering 100% of the project cost (90% grant and 10% loan) has been envisaged under the APDP. For the non-special category States, assistance covering 50% of the project cost (25% grant and 25% loan) has been envisaged under APDP and the remaining 50% may be obtained by the from Power Finance Corporation (PFC)/Rural Electrification Corporation

(REC)/own/other resources. During the year 2000-01 and 2001-02, the Government provided Rs.1000 crores and Rs.1500 crores respectively for assistance to scheme under Accelerated Power Development Programme (APDP). In 2001-02, an assistance of Rs.978 crores was sanctioned. In 2001-02 assistance for a number of schemes in various States has already been recommended to ensure utilization of the funds available under APDP. APDP has been extended during the 10th Plan with the outlay for the year 2002-03 being Rs.3500 crores.